

FEDERAL GUIDELINES FOR ELIGIBILITY

Community Development Block Grant Program

General

Title I of the Housing and Community Development Act of 1974 (Public Law 93-383) created the Community Development Block Grant (CDBG) funding program, replacing eight former categorical grant and loan programs under which communities competed nationally for funds. Localities generally decide how and where the CDBG funds are to be spent, subject to compliance with certain federal regulations. Projects are not subject to prior federal approval, but the use of CDBG funds is monitored by the U.S. Department of Housing and Urban Development (HUD). The City of Santa Maria is an entitlement community under the CDBG Program.

National Objectives

The proposed project or activity must meet one of the three national objectives outlined below.

1) Benefits low and moderate income persons as defined by the U.S. Department of Housing and Urban Development (HUD).

To meet this national objective, the proposed activity must benefit a specific clientele or residents in a particular area of the City, 51% of whom are low and moderate-income persons. At least 70% of all CDBG program funds must be expended for activities that benefit low and moderate-income persons over one, two or three consecutive program years, as specified by the grantee. This is distinct from the requirement that individual activities which are considered to meet the low and moderate-income national objective must benefit persons 51% of whom are low and moderate income.

A low and moderate income person is defined as a member of a family having an income equal to or less than the Section 8 Housing Assistance Payments Program low income limit established by HUD. Unrelated individuals shall be considered as one-person families for this purpose.

2) Aids in the prevention or elimination of slums or blight.

To meet this national objective, the proposed activity must be provided within a designated slum or blighted area, and must be designed to address one or more conditions that contributed to the deterioration of the area. There must be a substantial number of deteriorated or deteriorating buildings or public improvements throughout the area.

- 3) Meets community development needs having a particular urgency where existing conditions pose a serious and immediate threat to the health or welfare of the community, and no other funding sources are available.**

To meet this national objective, the proposed activity must be provided to deal with major catastrophes or emergencies, such as floods or earthquakes, that have a community-wide impact.

Types of Activities

In addition to meeting one of the national objectives, the proposed project or activity must be determined eligible under one of the following activity categories:

- Acquisition of real property
- Disposition of real property
- Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements
- Site improvements
- Privately-owned utilities
- Clearance, demolition, removal of buildings and improvements, and/or movement of structures to other sites
- Interim assistance in areas exhibiting physical deterioration where immediate action is necessary to arrest deterioration and permanent improvements will be carried out as soon as practicable.
- Relocation of individuals, families, businesses, non-profit organizations and/or farms
- Removal of architectural barriers
- Housing rehabilitation
- Code enforcement
- Historic preservation
- Commercial or industrial rehabilitation
- Special economic development activities
- Special activities by subrecipients
- Public services

To be eligible, a public service must be either a new service or an increase in the level of an existing service above that which was provided in the previous twelve months. This must only be demonstrated in the first year a public service activity is funded under the CDBG Program.

Public services must be directed toward improving the community's services and facilities, including, but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, welfare or recreation. Costs may include labor, supplies and materials necessary to provide the service.

The total amount of CDBG funds allowed for public services is 15 percent of the annual entitlement grant plus 15 percent of the program income received during the preceding program year.

- General program administration

The total amount of CDBG funds allowed for general program administration is 20 percent of the annual entitlement grant plus 20 percent of the program income received during the preceding program year.

Home Investment Partnerships Program

General

The HOME Investment Partnerships Program is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625). HOME is a formula-based federal allocation program intended to support a wide variety of state and local affordable housing programs. States and localities are required to provide a match of a certain percentage of federal HOME allocations. The City of Santa Maria is an eligible participating jurisdiction, as part of a consortium with the County of Santa Barbara.

Intent

The intent of the HOME Program is:

- To expand the supply of decent, safe, sanitary and affordable housing, primarily rental housing.
- To strengthen the abilities of state and local governments to provide housing.
- To assure that federal housing services, financing, and other investments are provided to state and local governments in a coordinated, supportive fashion.
- To expand the capacity of non-profit community-based housing development organizations.

Type of Activities

Under the HOME program, 100% of all funds must be expended for housing activities that benefit persons of low and moderate income. The major program activities are Homeowner Programs, including a Homebuyer Program and Homeowner Property Rehabilitation, Rental Housing Development and Tenant-Based Rental Assistance. Within these primary activities there are specific eligible activities as follows:

- Homebuyer assistance
- Housing rehabilitation
- Conversion of an existing structure to affordable housing
- Reconstruction of housing on the same lot
- New affordable housing construction
- Acquisition of property
- Site improvements
- New on-site infrastructure and off-site utility connections to an adjacent street
- Demolition in connection with construction
- Relocation
- Tenant-based rental assistance
- General Program Administration

The total amount of HOME funds allowed for general program administration is 10 percent of the annual grant.